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Attorneys for the Canepa Group

**UNITED STATE BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:	)	Case No. BK-S-06-10725-LBR
	)	Case No. BK-S-06-10726-LBR
USA COMMERCIAL MORTGAGE COMPANY,	)	Case No. BK-S-06-10727-LBR
	)	Case No. BK-S-06-10728-LBR
Debtor.	)	Case No. BK-S-06-10729-LBR

In re:	)	Chapter 11
USA CAPITAL REALTY ADVISORS, LLC,	)	

**Jointly Administered Under**  
**Case No. BK-S-06-10725-LBR**

In re:	)
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,	)
	)
Debtor.	)

In re:	)
USA CAPITAL FIRST TRUST DEED FUND, LLC,	)
	)
Debtor.	)

In re:	)
USA SECURITIES, LLC,	)
	)
Debtor.	)

Affects:	)
<input checked="" type="checkbox"/> All Debtors	)
<input type="checkbox"/> USA Commercial Mortgage Company	)
<input type="checkbox"/> USA Securities, LLC	)
<input type="checkbox"/> USA Capital Realty Advisors, LLC	)
<input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC	)
<input type="checkbox"/> USA First Trust Deed Fund, LLC	)

Date: N/A  
 Time: N/A

**STATEMENT OF LIONEL SAWYER & COLLINS**  
**PURSUANT TO FED.R.BANKR.P. 2019**  
**(AFFECTS ALL DEBTORS)**

1           Laurel E. Davis, makes the following statements:

2           1.       I am an attorney licensed to practice law in the State of Nevada, and I am a  
3 shareholder of the law firm of Lionel Sawyer & Collins. I have personal knowledge of the facts  
4 recited herein, and I am competent to testify regarding them if called as a witness in this matter.

5           2.       Lionel Sawyer & Collins has been retained to represent Scott K. Canepa; Shawntelle  
6 Davis-Canepa; Scott K. Canepa Defined Benefit Pension Plan; Evelyn G. Canepa Trust, Evelyn G.  
7 Canepa and Scott Krusee Canepa Trustees; Gary T. and Lori R. Canepa, Trustees of the G. & L.  
8 Trust dated 11/25/91; Louis John Canepa Trustee of the Louis John Canepa Revocable Trust dated  
9 6/18/98; and Michael Wagnon, who are collectively referred to as "the Canepa Group." These seven  
10 persons and entities made original investments in 13 different loans in excess of \$3.1 million.  
11 Additionally, one member of the Canepa Group holds a \$30,000 Direct Investment in the First Trust  
12 Deed Fund, LLC. I am the attorney primarily responsible for representing the Canepa Group.

13           3.       As Ordered by the Bankruptcy Court, I provide the following information required  
14 by Fed.R.Bankr.P. 2019 with respect to each member of the Canepa Group and their involvement  
15 with the above-referenced cases:

16                   (a)       **Scott K. Canepa**, Canepa, Riedy & Rubino, 851 S. Rampart Boulevard, #160,  
17 Las Vegas, Nevada 89145. On August 17, 2005, Mr Canepa made a Direct Loan to Boise/Gowan  
18 93, LLC in the amount of \$1,250,000, which loan is evidenced by a promissory note and secured by  
19 a deed of trust. This loan is presently serviced by U.S.A. Commercial Mortgage Company  
20 ("USACM") pursuant to a Loan Servicing Agreement ("LSA") and Power of Attorney.

21                   (b)       **Shawntelle Davis-Canepa**, c/o Canepa, Riedy & Rubino, 851 S. Rampart  
22 Boulevard, #160, Las Vegas, Nevada 89145. On or about April 1, 2005, Ms. Davis-Canepa made  
23 a Direct Loan to Southern California Land Development, LLC in the amount of \$25,000, which loan  
24 is evidenced by a promissory note and secured by a deed of trust. This loan is presently serviced by  
25 USACM pursuant to a LSA and Power of Attorney.

26                   (b)       **Scott K. Canepa Defined Benefit Pension Plan ("Scott Canepa DBPP")**,  
27 c/o Canepa, Riedy & Rubino, 851 S. Rampart Boulevard, #160, Las Vegas, Nevada 89145,  
28 regarding the following two matters:

1 (1) On or about March 3, 2004, Scott Canepa DBPP made a Direct Loan  
2 to Los Valles Land & Golf, LLC (Hasley Canyon) in the amount of \$600,000, which loan is  
3 evidenced by a promissory note and secured by a deed of trust. This loan is presently serviced by  
4 USACM pursuant to a LSA and Power of Attorney.

5 (2) On April 20, 2005, Scott Canepa DBPP made a Direct Loan to SVRP,  
6 LLC (Rio Bravo) in the amount of \$40,000, which loan is evidenced by a promissory note and  
7 secured by a deed of trust. This loan is presently serviced by USACM pursuant to a LSA and Power  
8 of Attorney.

9 (c) **Evelyn G. Canepa Trust, Evelyn G. Canepa and Scott Krusee Canepa**  
10 **Trustees ("Evelyn Canepa Trust")**, c/o Canepa, Riedy & Rubino, 851 S. Rampart Boulevard,  
11 #160, Las Vegas, Nevada 89145, regarding the following seven matters:

12 (1) On or about August 2, 2005, Evelyn Canepa Trust made a Direct Loan  
13 to 3685 Fernando Road Partners, LP in the amount of \$100,000, which loan is evidenced by a  
14 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
15 to a LSA and Power of Attorney.

16 (2) On July 28, 2005, Evelyn Canepa Trust made a Direct Loan to Bundy  
17 Canyon Land Development, LLC in the amount of \$100,000, which loan is evidenced by a  
18 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
19 to a LSA and Power of Attorney.

20 (3) On or about February 2, 2005, Evelyn Canepa Trust made a Direct  
21 Loan to Cabernet Highlands, LLC in the amount of \$25,000, which loan is evidenced by a  
22 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
23 to a LSA and Power of Attorney.

24 (4) On February 23, 2005, Evelyn Canepa Trust made a Direct Loan to  
25 Arapahoe Land Investments, LP (Clear Creek) in the amount of \$50,000, which loan is evidenced  
26 by a promissory note and secured by a deed of trust. This loan is presently serviced by USACM  
27 pursuant to a LSA and Power of Attorney.

28

1 (5) On October 5, 2006, Evelyn Canepa Trust made a Direct Loan to Los  
2 Valles Land & Golf, LLC (Hasley Canyon) in the amount of \$100,000, which loan is evidenced by  
3 a promissory note and secured by a deed of trust. This loan is presently serviced by USACM  
4 pursuant to a LSA and Power of Attorney.

5 (6) On November 9, 2004, Evelyn Canepa Trust made a Direct Loan to  
6 Opaque Land Development, LLC in the amount of \$165,000, which loan is evidenced by a  
7 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
8 to a LSA and Power of Attorney.

9 (7) On or about December 10, 2004, Evelyn Canepa Trust made a Direct  
10 Loan to Placer County Land Speculators, LLC in the amount of \$25,000, which loan is evidenced  
11 by a promissory note and secured by a deed of trust. This loan is presently serviced by USACM  
12 pursuant to a LSA and Power of Attorney.

13 (d) **Gary T. and Lori R. Canepa, Trustees of the G. & L. Trust dated**  
14 **11/25/91 ("G & L Trust")**, c/o Canepa, Riedy & Rubino, 851 S. Rampart Boulevard, #160, Las  
15 Vegas, Nevada 89145, regarding the following two matters:

16 (1) On January 23, 2005 G & L Trust made a Direct Loan to Cabernet  
17 Highlands, LLC in the amount of \$100,000, which loan is evidenced by a promissory note and  
18 secured by a deed of trust. This loan is presently serviced by USACM pursuant to a LSA and Power  
19 of Attorney.

20 (2) On April 8, 2005, G & L Trust made a Direct Loan to Fiesta  
21 Development, Inc. (Fiesta/Murietta) in the amount of \$75,000, which loan is evidenced by a  
22 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
23 to a LSA and Power of Attorney.

24 (e) **Louis John Canepa Trustee of the Louis John Canepa Revocable Trust**  
25 **dated 6/18/98 ("Louis Canepa Trust")**, c/o Canepa, Riedy & Rubino, 851 S. Rampart Boulevard,  
26 #160, Las Vegas, Nevada 89145, regarding the following four matters:

27 (1) On January 17, 2006, Louis Canepa Trust made a Direct Loan to  
28 Brookmere in the amount of \$9,344, which loan is evidenced by a promissory note and secured by

1 a deed of trust. This loan is presently serviced by USACM pursuant to a LSA and Power of  
2 Attorney.

3 (2) On November 10, 2003, Louis Canepa Trust made a Direct Loan to  
4 Opaque Land Development, LLC in the amount of \$100,000, which loan is evidenced by a  
5 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
6 to a LSA and Power of Attorney.

7 (3) On or about December 10, 2004, Louis Canepa Trust made a Direct  
8 Loan to Placer County Land Speculators, LLC in the amount of \$50,000, which loan is evidenced  
9 by a promissory note and secured by a deed of trust. This loan is presently serviced by USACM  
10 pursuant to a LSA and Power of Attorney.

11 (4) On February 23, 2005, Louis Canepa Trust purchased a Direct  
12 Investment in the First Trust Deed Fund, LLC. in the amount of \$30,000.

13 (f) **Michael Wagnon**, c/o Canepa, Riedy & Rubino, 851 S. Rampart Boulevard,  
14 #160, Las Vegas, Nevada 89145, regarding the following two matters:

15 (1) On or about March 3, 2004, Michael Wagnon made a Direct Loan to  
16 Los Valles Land & Golf, LLC (Hasley Canyon) in the amount of \$300,000, which loan is evidenced  
17 by a promissory note and secured by a deed of trust. This loan is presently serviced by USACM  
18 pursuant to a LSA and Power of Attorney.

19 (2) On or about July 26, 2004, Michael Wagnon made a Direct Loan to  
20 John E. King and Carole King (Margarita Annex) in the amount of \$150,000, which loan is  
21 evidenced by a promissory note and secured by a deed of trust. This loan is presently serviced by  
22 USACM pursuant to a LSA and Power of Attorney.

23 I declare under penalty of perjury under the laws of the United States that the foregoing is  
24 true and correct.

25 Dated: June 9, 2006.

26 /s/ Laurel E. Davis

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Laurel E. Davis